



Planning Policy
West Somerset Council
West Somerset House
Killick Way
Williton
Somerset
TA4 4QA

SENT BY E-MAIL AND POST

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Dear Sir / Madam

WEST SOMERSET LOCAL PLAN PRE SUBMISSION CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following representations and in due course attend the Examination Hearing Sessions to debate these matters in greater detail.

Duty to Co-operate

The Council's Duty to Co-operate Statement dated December 2014 sets out its joint working with neighbouring authorities and prescribed bodies. The Council has four neighbouring authorities which are North Devon District Council, Mid Devon District Council, Taunton Deane District Council and Sedgemoor District Council. Moreover approximately 50% of the District is within the Exmoor National Park.

In the Duty to Co-operate Statement unmet affordable housing needs in West Somerset and unmet market housing needs in Exmoor National Park are identified as strategic cross boundary matters. Unfortunately however these unmet housing needs have not been resolved through collaborative working under the Duty to Co-operate which undermines the soundness of the West Somerset Local Plan. Such matters should be resolved before the Local Plan is submitted for examination.

Housing Needs

West Somerset forms part of two overlapping Housing Market Areas (HMAs) namely the Taunton & South Somerset HMA and the Northern Peninsula HMA comprising of North Devon, Torridge, West Somerset, former North Cornwall and Exmoor National Park. The Taunton & South Somerset Strategic Housing Market Area Assessment (SHMAA) of 2008 is now somewhat out of date. The Northern Peninsula SHMAA also dates from 2008 but it was up dated in November 2013 and again in January 2015.

The original Northern Peninsula SHMAA proposed 3,800 dwellings for West Somerset (excluding the administrative area inside the Exmoor National Park). However as this report pre dated market conditions since 2008 and the proposals for the new nuclear power station at Hinckley Point a review was undertaken in 2013 which resulted in a reduced objectively assessed housing need (OAHN) of 2,398 dwellings plus an uplift of 450 dwellings for the Hinckley Point development. The up-date in 2015 resulted in no further change to the proposed housing requirement of 2,900 dwellings (145 dwellings per annum) for West Somerset over the plan period of 2012 – 2032 as set out in **Policy SC2 – Housing Provision**.

However there are a number of observations to be made about the Council's OAHN and its housing requirement. It is overly reliant on demographic projections. The National Planning Practice Guidance (NPPG) sets out that household projections produced by DCLG are just the starting point for OAHN (ID 2a-015-20140306). As it is recognised that the 2011-based household projections, 2012-based SNPP and the recently published 2012-based household projections reflect past recessionary trends and so under-estimate future housing needs the Council's consultants Housing Vision have used the 2008-based household projections. However the figure of 2,398 dwellings quoted by the Council in its Strategy & Housing Topic Paper dated January 2015 in Paragraph 46 and the figure of 2,400 dwellings in the supporting text of **Policy SC2 – Housing Provision** of the Local Plan seem to be derived from the figure of 2,453 from Table 6.2 of the latest SHMAA. It is noted that this figure in Table 6.2 does not include any adjustment for vacant dwellings or second homes and when such adjustments are included in Table 6.2 the figure increases to 2,728 dwellings.

The NPPG also advises that other factors such as economic forecasts should be considered which may necessitate an upward adjustment above demographic projections (ID 2a-018-20140306). The Council has attempted to make such an adjustment by adding on 450 dwellings for the proposed Hinckley Point nuclear power station development but no other adjustments for economic growth are evident.

Moreover there are no further upward adjustments for worsening trends in market signals and affordable housing needs as recommended by the NPPG (2a-019-20140306 and 2a-020-20140306). These are two critical issues identified in the West Somerset Local Plan. It is estimated that affordable housing needs represent 60% of the full OAHN.

Therefore the question arises as to whether or not a 2008-based household projection plus an adjustment for economic growth from the Hinckley Point power station proposal is a reasonable basis for the calculation of OAHN in West Somerset without any other adjustments. Over the last 35 years average completions equalled 118 dwellings per annum so the proposed annualised requirement of only 145 dwellings per annum seems a limited response to the Government's overall growth agenda and more specifically the National Planning Policy Framework (NPPF) requirement under Paragraph 47 "*to boost significantly housing supply*".

In conclusion the Council has not undertaken a full OAHN and as a consequence its housing requirement is too low. Therefore before submission of the West Somerset Local Plan for Examination the Council should review its OAHN to address the criticisms outlined above.

Housing Supply

Policy SC1 – Settlement Hierarchy defines Minehead / Alcombe as the main centre and Watchet and Williton as rural service centres in which a minimum of 1,450 dwellings (equivalent to 50%) are allocated at key strategic sites under **Policy SC2**. These strategic sites are set out in **Policies MD2** (750 dwellings), **WA2** (290 dwellings) and **WI2** (406 dwellings). Under **Policy LT1 – Post 2026 Key Strategic Development Sites** two reserve sites are proposed for future development if other strategic sites are identified as under-performing by the Council's monitoring procedures.

Under **Policy SC1** limited development is proposed in eight named primary villages and small scale development in five named secondary villages. Elsewhere in the open countryside future development is restricted. **Policy SV1 – Development at Primary & Secondary Villages** and **Policy OC1 – Open Countryside Development** expand upon **Policy SC1**. The supporting text of **Policy SC1** defines limited development as 10 dwellings equal to 10% growth of a primary village over the plan period and small scale development as 5 dwellings equal to 30% growth of a secondary village but restricted to only 10% growth in any 5 year period. This supporting text is somewhat confusing and the Council should provide further clarification by means of worked examples illustrating the workings of such definitions in practice and over time.

Moreover the Council should be mindful that when identifying locations for growth and site allocations to meet OAHN the widest variety of sites by size, location and market type should be considered to enable the house building industry to maximise housing delivery. The proposed distribution of new homes focuses growth in the main town and rural service centres with only limited development proposed in the primary and secondary villages and almost no development elsewhere in the open countryside. Of the annualised housing requirement (145 dwellings per annum) :-

- 74 dwellings per annum will be delivered on strategic site allocations comprising of 38 dwellings per annum in Minehead / Alcombe, 15

- dwellings per annum in Watchet and 21 dwellings per annum in Williton) ;
- 43 dwellings per annum on non-strategic sites in Minehead / Alcombe, Watchet and Williton ;
- 30 dwellings per annum in primary and secondary villages.

Therefore 80% of the housing requirement is proposed in the main town and rural service centres. However there seems to be a discrepancy between the 30 dwellings per annum proposed in the primary and secondary villages (30 x 20 years = 600 dwellings) and the 10% growth proposed for the villages equal to only 323 dwellings as set out in **Policy SC1**. The Council should provide further clarification.

In the Strategy & Housing Topic Paper dated January 2015 the Council sets out its calculation of the 5 years housing land supply (YHLS). The Council's calculation is based upon a 5% buffer and a Liverpool approach to shortfalls concluding that 5.1 YHLS is available. However the Council's calculation is considered as inappropriate. The Sedgefield approach to shortfalls should be applied as advocated in the NPPG (ID 3-035-20140306) which states that *"local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period, where possible"*. Moreover the 5% buffer should be applied to the annualised requirement and the shortfall as set out in the Droitwich Appeal Decision APP/H1840/A/13/2199085 determined by the Secretary of State and confirmed in the joint letter dated 10th December 2014 from Ms Kingsby (Inspector examining South Derbyshire Local Plan) and Mr Foster (inspector examining Amber Valley Local Plan) which states *"while writing, we note the clarity now provided by the decision of the Secretary of State in the case of APP/H1840/A/13/2199085 at Droitwich. The appropriate buffer to the 5-year land supply is to be applied to the sum of the raw 5-year figure and any shortfall accumulated since the base date of the plan"* and in the Inspector's (Mr Ward) Final Report dated 15th December 2014 on the Cheshire West & Chester Local Plans (Paragraph 150). Therefore the re-calculation is :-

- Annualised housing requirement of 145 dwellings per annum x 5 years = 725 dwellings ;
- 725 dwellings plus shortfall of 139 dwellings = 864 dwellings ;
- 864 dwellings plus 5% buffer = 907 dwellings.

As the HBF does not comment on the merits or otherwise of individual sites the supply side of the equation as set out by the Council comprises of :-

- 189 dwellings consented on large sites ;
- 115 dwellings consented on small sites less 10% lapse rate ;
- 192 dwellings from windfalls ;
- 300 dwellings from strategic site allocations ;
- Total 796 dwelling = 4.39 years.

If the housing requirement is increased as discussed under Housing Needs the 5 YHLS position would worsen. Therefore if there is not reasonable

certainty that the Council has a 5 YHLS the Local Plan would not be sound as it would be neither effective nor consistent with national policy as set out in Paragraph 47 of the NPPF. Moreover if the Local Plan is not to be out of date on adoption it is critical that the land supply requirement is achieved as under Paragraph 49 of the NPPF *“relevant policies for the supply of housing will not be considered up to date if the LPA cannot demonstrate a five year supply of deliverable housing sites”*. In conclusion the Council should provide further information on 5 YHLS.

Other Policies

Policy SC4 – Affordable Housing is confusing the Council should state clearly and explicitly in Bullet Point (2) and (5) that its target affordable housing provision is 35%. It is noted in the Council's report titled West Somerset Strategic Housing Viability Assessment 2014 by EVPC that viability is challenging and the strategic sites are not viable which is concerning as strategic sites represent 50% of the housing land supply throughout the plan period. The Viability Assessment states :-

- ***“Strategic Housing Sites: summary findings.*** In summary, the trade-off between affordable housing and other planning policies are clearly demonstrated in Tables 4.1a to 4.4d. These range from 26% to 35% provision of affordable housing and £0 to £5,000 per unit on market homes towards other policy requirement funding, depending upon the density of permitted development [i.e. between 30 to 35 dwellings per hectare] (page 29) ;
- ***“There is some residual value available but policy trade-offs will be needed.*** One of the main policy successes for WSC has been to secure affordable housing and appropriate developer contributions towards other needs arising from development. However, this is unlikely to remain the case in the future as funding from other sources and existing infrastructure constraints remain, service providers are increasingly likely to be looking towards private development to meet some of the costs of other policy requirements. Table 5.1 displays the policy mix options available to WSC for the three categories of housing sites appraised. The study confirms that the extant policy mix is sustainable and viable for all sites except for the largest development scenario [i.e. 250 dwelling units]. However, to achieve overall viable for all sites [irrespective of the category of site], compromise, at least in the short run, will be necessary if all development scenarios are to come forward as viable schemes. These findings are largely consistent with what has been delivered over the last five-years, which shows that the majority of schemes have been providing over 30% affordable housing as well as other site-specific S106 contributions” (page 46) ;
- ***“Recommendation 1: WSC will need to make important choices about policy requirements and affordable housing thresholds.*** Otherwise, if WSC continues requesting developer contributions at a rate of 35% for affordable housing, then a number of other policy requirements tested as part of this study, cannot be funded through developer contributions and other means will have to be sought.

Important choices will have to be made between the balance of affordable housing and other policy requirements to be funded via developer contributions (page 47).

In Bullet Point 4 of **Policy SC4** Williton should also be excluded from the requirement for affordable housing provision on sites of 6 – 10 dwellings in accordance with the House of Commons Written Statement (HCWS50) Support for Small Scale Developers, Custom and Self-builders. In Bullet Point 4 there should also be reference to the deferment of payment of such financial contributions until after completion of the development as set out in the Ministerial Statement.

Moreover Bullet Points 3B and 3C of **Policy SC3** will be superseded by the final outcomes of the Government's Housing Standards Review consultation. The Council should also re-check the following policies for compliance with the outcomes of the Housing Standards Review (when known) and other recent consultations such as "*Next Steps to Zero Carbon Homes – Allowable Solutions*" and "*Next Steps to Zero Carbon Homes – Small Sites Exemptions*":-

- **Policy CC1 – Carbon Reduction ;**
- **Policy CC5 – Water Efficiency ;**
- **Policy NH10 – Securing High Standards of Design.**

Conclusions

For the West Somerset Local Plan to be found sound under the four tests of soundness defined by Paragraph 182 of the NPPF, the Local Plan positively prepared, justified, effective and compliant with national policy.

At present the West Devon Local Plan is unsound because of a number of unresolved issues as set out in the preceding text including an under-estimation of OAHN and housing requirement, no 5 YHLS and overly burdensome policy requirements meaning development is unviable. Therefore the Local Plan has not been positively prepared or justified so it will not be effective or compliant with national policy.

It is hoped that these comments are helpful to the Council in informing the next stages of the West Somerset Local Plan. In the meantime if any further assistance or information is required please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**



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